

**AMENDMENTS TO THE CLAIMS:**

This listing of claims will replace all prior versions and listings of claims in the application:

1. (Currently Amended) An electronic network system adapted to generate cost reduction strategies for a target company, the network system comprising:

a cost lever analysis tool that (1) receives financial data inputs regarding the target company, (2) calculates normalized diagnostic information regarding the cost structure of the target company based on the financial data inputs and a  $\beta$  value of the target company, (3) displays the normalized diagnostic information, (4) receives cost levers based on the normalized diagnostic information, and (5) transmits the cost levers;

a cost reduction strategy tool that receives the cost levers, the strategy tool including:

a generation module that generates a cost reduction strategy for one or more of the cost levers;

a linking module that correlates the cost reduction strategy with corresponding ones of the cost levers; ~~and~~

an implementation module that generates implementation information related to implementing the cost reduction strategy; and

an output module that outputs the cost reduction strategy and the implementation information,

wherein the cost lever analysis tool and the cost reduction strategy tool  
are run on at least one processor, and

wherein the  $\beta$  value of the target company is determined by (1) identifying  
comparable businesses that operate in the same field as the target  
company, (2) determining the  $\beta$  values of the comparable  
businesses, (3) averaging the  $\beta$  values of the comparable  
businesses to determine an unlevered  $\beta$  value, (4) estimating an  
effect of the financing structure of the target company using the  
unlevered  $\beta$  value, and (5) determining a relevered  $\beta$  value for the  
target company by adding in the effect of the financing structure.

2. (Previously Presented) The network system according to claim 1, wherein  
the implementation information includes at least one of case studies, implementation  
plans, integration implications, and sample benefit and impact forecasts.

3. (Previously Presented) The network system according to claim 2, wherein  
the implementation information comprises hyperlinked documents.

4. (Previously Presented) The network system according to claim 3, wherein  
the documents can be cross-linked to each other.

5. (Previously Presented) The network system according to claim 2, wherein  
a plurality of case studies are correlated with each cost reduction strategy.

6. (Previously Presented) The network system according to claim 5, wherein the implementation information includes case studies derived from more than one industry.

7. (Previously Presented) The network system according to claim 1, wherein the output module generates a cost-reduction strategy template for the target company.

8. (Previously Presented) The network system according to claim 7, wherein the cost reduction strategy template includes the implementation information.

9. (Previously Presented) The network system according to claim 8, wherein the implementation information includes at least one of economic impacts, strategy goal summaries, expected implementation schedules and plans, projected cost considerations, and projected key benefits.

10. (Previously Presented) The network system according to claim 1, wherein the cost lever analysis tool further comprises a calculation module that calculates a total return to shareholders using a calculated return on invested capital, a calculated weighted average cost of capital, a calculated organic growth, and a calculated merger and acquisition growth based on the financial input data.

11. (Previously Presented) The network system according to claim 1, wherein the cost lever analysis tool generates summary reports, the summary reports including - at least one of metrics or diagnostic ratios of the target company.

12. (Previously Presented) The network system according to claim 11, wherein the summary reports include charts or diagrams comparing the metrics or the diagnostic ratios to baseline industry information.

13. (Previously Presented) The network system according to claim 12, wherein the baseline industry information comprises metrics or diagnostic ratios pertaining to industry competitors of the target company.

14. (Previously Presented) The network system according to claim 12, wherein the summary reports include shareholder return graphs, the shareholder return graphs comparing a growth compound annual growth rate to a spread for the target company and industry peers of the target company.

15. (Previously Presented) The network system according to claim 1, wherein at least one of the cost lever analysis tool, the cost reduction strategy tool, and the output module is located on a server electronically accessible by remote users.

16. (Currently Amended) A computer-readable storage medium encoded with instructions which, when executed on a processor, perform a method comprising:

receiving financial data inputs regarding a target company;

calculating normalized diagnostic information regarding the cost structure of the target company based on the financial data inputs and a  $\beta$  value of the target company, the  $\beta$  value of the target company being determined by (1) identifying comparable businesses that operate in the same field as the target company, (2) determining the  $\beta$  values of the comparable businesses, (3) averaging the  $\beta$  values of the comparable businesses to determine an unlevered  $\beta$  value, (4) estimating an effect of the financing structure of the target company using the unlevered  $\beta$  value, and (5) determining a relevered  $\beta$  value for the target company by adding in the effect of the financing structure;

displaying the normalized diagnostic information;

receiving cost levers of the target company based on the normalized diagnostic information;

generating a cost reduction strategy for one or more of the cost levers;

correlating the cost reduction strategy with corresponding ones of the cost levers;

generating implementation information related to implementing the cost reduction strategy; and

outputting the cost reduction strategy and the implementation information.

17. (Previously Presented) The computer-readable storage medium according to claim 16, wherein the method further comprises generating a cost reduction strategy template for the target company.

18. (Previously Presented) The computer-readable storage medium according to claim 17, wherein the cost reduction strategy template includes the implementation information.

19. (Previously Presented) The computer-readable storage medium according to claim 18, wherein the implementation information includes at least one of economic impacts, strategy goal summaries, expected implementation schedules and plans, projected cost considerations, and projected key benefits.

20. (Previously Presented) The computer-readable storage medium according to claim 16, wherein the implementation information includes at least one of case studies, implementation plans, integration implications, and sample benefit and impact forecasts.

21. (Previously Presented) The computer-readable storage medium according to claim 20, wherein the implementation information comprises hyperlinked documents.

22. (Previously Presented) The computer-readable storage medium according to claim 21, wherein the documents can be cross-linked to each other.

23. (Previously Presented) The computer-readable storage medium according to claim 20, wherein a plurality of case studies are correlated with the cost reduction strategy.

24. (Previously Presented) The computer-readable storage medium according to claim 23, wherein the implementation information includes case studies derived from more than one industry.

25. (Previously Presented) The computer-readable storage medium according to claim 16, wherein the calculating normalized diagnostic information comprises calculating a total return to shareholders using a calculated return on invested capital, calculating a weighted average cost of capital metric, calculating an organic growth metric, and calculating a merger and acquisition growth metric.

26. (Previously Presented) The computer-readable storage medium according to claim 16, wherein the displaying of the normalized diagnostic information comprises generating summary reports, the summary reports including at least one of metrics or diagnostic ratios of the target company.

27. (Previously Presented) The computer-readable storage medium according to claim 26, wherein the summary reports include charts or diagrams comparing the metrics or the diagnostic ratios to baseline industry information.

28. (Previously Presented) The computer-readable storage medium according to claim 27, wherein the baseline industry information comprises the metrics or the diagnostic ratios pertaining to industry competitors of the target company.

29. (Previously Presented) The computer-readable storage medium according to claim 27, wherein the summary reports include shareholder return graphs, the shareholder return graphs comparing a growth compound annual growth rate to a spread for the target company and industry peers of the target company.

30. (Previously Presented) The computer-readable storage medium according to claim 16, wherein the computer-readable storage medium is located on a network accessible to users to perform the method, and wherein the financial data inputs are received electronically by the network from a remote electronic financial data repository.

31. (Previously Presented) The electronic network system of claim 1, wherein the cost lever analysis tool identifies the cost levers.



32. (Previously Presented) The electronic network system of claim 1, wherein the implementation information constitutes an approach for implementing the cost reduction strategy.